

## Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 03202 050343Z  
ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 COME-00 TRSE-00 /025 W  
-----115860 060534Z /21

R 041147Z APR 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 7697

UNCLAS TEHRAN 3202

E.O. 11652: N/A  
TAGS: EINV  
SUBJ: OPIC OFFICIAL TRAVELER-CECIL HUNT

REF: STATE 84162

1. AS DEPT AND OPIC AWARE, SEP 77 VISIT TO TEHRAN BY OPIC VICE PRES ROBERT SMITH WAS PRIMARILY FOR PURPOSE OF INFORMING MINISTRY ECONOMIC AFFAIRS AND FINANCE (ASHRAFI) THAT OPIC, PURSUANT TO CONGRESSIONAL DIRECTIVE, COULD NO LONGER ISSUE INVESTMENT GUARANTEES FOR COUNTRIES SITUATED AS IS IRAN. THAT IS, OPIC'S ACTIVITIES HENCEFORTH WOULD HAVE TO BE CONCENTRATED IN THE POOR LDC'S. IRAN, ASHRAFI WAS INFORMED, OUGHT TO BE ABLE TO ATTRACT US INVESTMENT WITHOUT THE NEED FOR OPIC INCENTIVES. EMB'S DISTINCT RECOLLECTION IS THAT ASHRAFI EXPRESSED COMPLETE UNDERSTANDING ON THIS POINT.

2. WHILE MATTER OF OPIC'S PROGRAM TO ATTRACT SMALLER US COMPANIES TO JOINT VENTURES IN IRAN WAS TOUCHED UPON IN CONVERSATION WITH ASHRAFI, LATTER'S INTEREST IN THIS REGARD WAS POLITE BUT PERFUNCTORY. FACT IS THAT IRAN AT ITS UPPER DECISION-MAKING LEVELS REALLY NOT INTERESTED IN SMALL FOREIGN BUSINESS INVESTMENT IN IRAN, BELIEVING WITH SOME JUSTIFICATION THAT SMALLER FIRMS HAVE NEITHER THE HIGH TECHNOLOGY WHICH IRAN NEEDS NOR THE FINANCIAL RESOURCES TO ASSURE THAT THE JOINT VENTURE CAN BE LAUNCHED WITH AN ADEQUATE CASH FLOW. CERTAINLY, EMB DOES NOT RULE OUT POSSIBILITY THAT THERE MIGHT BE AN INSTANCE FOR TWO WHERE IRAN WOULD WELCOME SMALL FIRM INVESTMENT IF CONDITIONS WERE RIGHT.  
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HOWEVER, IN ANY CASE, DIRECT INVESTMENT BY US FIRMS HAS BEEN NEGLIGIBLE OVER THE LAST TWO TO THREE YEARS AND CURRENT GOI AND US INVESTOR INTEREST IN THE IMMEDIATE OFFING IS AMONG THE VERY LARGEST OF THE LARGE, E.G., FORD, DOW CHEMICAL, BECHTEL.

3. BEFORE EMB PROCEEDS FURTHER REGARDING CONCURRENCE MR HUNT'S VISIT, ARE PARTICULARLY BEFORE WE SCHEDULE APPOINTMENTS

FOR HIM, EMB WOULD APPRECIATE DEPT REACTION TO WHAT  
WE HAVE SAID SUPRA. MORE SPECIFICALLY, WILL MR HUNT IN HIS  
TALKS WITH ASHRAFI AND OTHER GOI OFFICIALS BE ABLE TO IMPROVE  
UPON, AS GOI WOULD SEE IT, THE ESSENTIALLY NEGATIVE ALBEIT  
REALISTIC MESSAGE WHICH OPIC VICE PRES SMITH DELIVERED LAST SEP.

4. PLEASE ADVISE.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONNEL TRAVEL  
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**Copy:** SINGLE  
**Draft Date:** 04 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**TAGS:** EINV, OVIP, IR, OPIC, (HUNT, CECIL)  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014